

The gray vireo is listed as threatened in New Mexico. It is found through much of the western United States and northern Mexico. It is usually found breeding from southern California to western Oklahoma, and southward to northern Baja California, southern Arizona, southern New Mexico, western Texas, and northern Coahuila, Mexico. In New Mexico, gray vireos summer west of the eastern plains, from the San Juan Valley, Santa Fe area, southward to the southern New Mexico border (NMDGF-BISON, 2018). In New Mexico, gray vireo (an insectivore) is only found during the months of April through September when insects are most abundant. It generally nests from May through August. Gray vireos are found in Coniferous Woodland including lower pinyon-juniper woodland into upper Juniper Savanna. The gray vireo is known to nest in Sandoval and Santa Fe counties. Gray vireo appears to be somewhat intolerant of human presence and activity, and they tend to leave the area when development moves into occupied habitat. Although gray vireos were observed in the project area, no gray vireo nests were observed in the project area.

● Gray Vireo Locations During Survey of Entire Proposed BB2 Corridor / no birds located in Santa Fe County / no nests located within the corridor

NBB-140



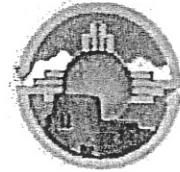
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Louise N. Martinez, Division Director
Energy Conservation and
Management Division



July 9, 2018

Mr. Richard L.C. Virtue
Hearing Officer, Santa Fe County
102 Grant Ave
Santa Fe, NM 87501

RE: Letter of Support for BB2 Transmission Line

The New Mexico Energy Conservation and Management Division supports development of the BB2 transmission line project. Your approval for the proposed project is respectfully requested. Please consider the following information and resources as you review and consider granting approval for the BB2 project.

New Mexico Energy Policy and Implementation Plan

New Mexico's Energy Policy, updated in 2015, identifies an all the above and energy abundance approach to stewarding the state's natural resources and energy economy.¹ Growing New Mexico's economy via the energy sector is the core tenet of the policy. An all the above approach considers inclusion of all forms of energy at our disposal. The state has an abundance of energy resources, both fossil-based and renewable, with an abundance of energy ingenuity in its companies, universities, and national laboratories. New Mexico's dependence on the future of the energy marketplace is intrinsically linked with successful and wise implementation of energy transport. Growing electricity transmission capacity to connect wind energy to the grid is needed now to boost economic vitality and diversify our portfolio of energy generation in New Mexico.

Nearly every possible energy source exists in New Mexico in relative abundance: coal, oil, natural gas, uranium, solar, wind, biomass and geothermal resources are found across the state's geography. One of the state's greatest assets, the energy sector provides revenue that funds schools, hospitals, and state government and lessens the tax burden on New Mexico's citizens. This wealth of energy resources also creates economic development opportunities for New Mexico, from attracting manufacturing, to using energy in more productive and efficient ways, to additional opportunities for energy export.

Energy resources and opportunities exist in all of New Mexico's 33 counties. There are rich natural gas deposits in the northwestern (San Juan, Sandoval, and Rio Arriba Counties) and southeastern (Lea, Eddy, and Chaves Counties) corners of New Mexico. The Permian Basin in the southeast is a principal oil

¹ Available at http://www.emnrd.state.nm.us/EnergyPolicy/documents/EMNRD_EnergyPolicy.pdf



NBR-141

producing region of the United States. Coal is most abundant in the San Juan Basin, and uranium deposits also cluster in northwestern New Mexico (Cibola and McKinley Counties); both are geologically shared with the Navajo Nation. The central and eastern half of New Mexico has some of the best wind resources in the country, while solar energy statewide has the third highest state resource potential in the nation. Geothermal resources also underlie the southwestern and north-central portions of New Mexico. Active management of New Mexico's forest biomass resources that are now at risk for wildfire and insect disease provide economic incentives and improved watershed ecosystem health.

Electricity transmission lines in New Mexico were built mostly in the 1960s and 1970s, with some system improvements made since that time. Inadequate transmission access has long been cited as the primary hindrance to New Mexico renewable energy development. Some of the best wind resources are located far away from electricity markets; only new transmission infrastructure can bridge these divides. Additional transmission lines will provide much needed improvement to transmission capacity in New Mexico and substantial economic development to the impacted counties. The proposed BB2 transmission project will add more wind energy to the New Mexico grid while increasing grid reliability and resiliency.

The NM Energy Policy prioritizes the streamlining of right-of-way permitting processes on state land and assisting relevant agencies with right-of-way processing. A deficiency of energy infrastructure limits New Mexico's economic development potential.

For electricity delivery, there are many reasons to update and expand electricity transmission infrastructure in New Mexico: the state and local governments can take advantage of economic development opportunities that require additional power, utilities can continue to provide reliable service to existing homes and industries, and updated transmission (and distribution) infrastructure helps increase the penetration of renewable energy on the grid. The NM Energy Policy recommends improving state-controlled aspects of transmission siting and permitting while supporting utilities to make transmission infrastructure investments.

New Mexico Energy Roadmap

Following the release of the 2015 New Mexico State Energy Policy, staff at the Energy Minerals and Natural Resources Department began to look for ways to enact specific objectives called out in the plan. However, the 2015 plan required development of clear strategies and direction for reaching the desired objectives. Therefore, in 2016, the New Mexico applied for and received financial support from the U.S. Department of Energy to fund the development of an Energy Roadmap that defines a direction and sequence of strategies required to strengthen and diversify a New Mexico energy economy that is resilient to global changes.

To create such a roadmap, the state assembled a steering committee made up of energy stakeholders representing energy producers, large energy users, regulators, transportation interests, local and regional governments and energy advocates. In all, more than 50 energy stakeholders, each bringing with them expertise in specific energy disciplines, engaged in networking, information sharing, debate and compromise to develop the New Mexico Energy Roadmap. Now in 2018 the Roadmap is available online. With it are a diverse set of scenarios and baseline resources.²

Development of the Energy Roadmap is only the beginning of an anticipated decade long process of implementing changes to energy policies and practices at both the public and private level. The strategies and goals of the Energy Roadmap recognize and aim to address one common reality; the way the state

² Available at <http://www.emnrd.state.nm.us/ECMD/energyroadmap.html> and http://www.emnrd.state.nm.us/ECMD/documents/FINALPublicEnergyRoadmapReport_004.pdf.

produces and uses energy must preemptively adapt to global energy developments. Thus, the Energy Roadmap strives to increase renewable energy deployment, engage energy efficiency, deploy alternative transportation solutions, support energy education and grow the workforce. This will be in concert with support for new opportunities for the state's vast conventional energy sectors.

Stakeholders participating in the New Mexico Energy Roadmap identified multiple goals and strategies related to electricity transmission needs:

Goal: Advance strategies to strengthen New Mexico's overall energy economy by 2027

- ***Strategy: Create a workable mechanism to bring state, federal, tribal, and local authorities together to streamline implementation of energy investments within New Mexico.***

Goal: Optimize New Mexico's electricity transmission systems

- ***Strategy: Conduct analysis for future transmission assets under various resource development and policy scenarios.***
- ***Strategy: Identify regulatory barriers to construction and cost recovery of new transmission assets.***
- ***Strategy: Streamline regulatory structure for transmission permitting and approval.***

Policy Resolution 2018-04: Energy for the West

In June of 2018, the Western Governors' Association provided an update to their Energy and Transmission Policy Resolution. This Energy Vision for the West includes a portfolio balanced with renewable resources including wind energy. Additional high-voltage transmission lines are needed in New Mexico to add more wind energy and diversify our portfolio of energy generators. Pertinent portions of this Resolution are included as follows.³

The resource-rich West supplies a majority of the country's energy resources and electric power. The United States is currently projected to become a net energy exporter within five years. The increase in natural gas developed in the West, coupled with increased investment in renewable and alternative energy sources, have positioned the region and its Governors to play a central role in the nation's economy and energy policy.

Goal: Ensure energy is clean, affordable and reliable by providing a balanced portfolio of renewable, non-traditional and traditional resources.

Western Governors believe that a balanced energy portfolio should consist of energy sources that are clean, affordable and reliable, that maintain system reliability, and limit rapid rate increases. These resources also require the maintenance and expansion of transmission and distribution infrastructure. To this end, the Governors establish the following objectives:

- *Recognize the importance of western renewable (wind, solar, biomass, biofuels, geothermal, hydropower), nuclear, coal and natural gas resources, and the generation facilities that utilize those resources.*
- *Encourage the addition of renewable, low-carbon, and clean generation, including utility-scale and distributed generation.*

Goal: Advance efficient environmental review, siting and permitting processes that facilitate energy development and the improvement and construction of necessary electric grid (transmission and distribution) and pipeline infrastructure, while ensuring environmental and natural resource protection.

³ Available online at http://westgov.org/images/editor/Energy_Vision_for_the_West.pdf

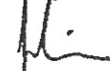
NBB-143

Responsible energy development and a robust, well maintained energy delivery system are vital to the economy and quality of life in the West. To this end, the Governors establish the following objectives:

- *Encourage responsible leasing and development of energy resources and infrastructure.*
- *Create a clear and transparent process for regulation and permitting, coordinated among well-trained and adequately funded federal, state and local agencies.*
- *Streamline project-permitting reviews to minimize timelines, without compromising environmental and natural resource protection or states' roles in those processes.*
- *Maintain state and local decision-making authority over transmission line siting and permitting.*
- *Encourage regional transmission planning organizations to conduct interconnection-wide planning with the full participation of the states and with consideration of state energy policies.*
- *Create functional partnerships among states, federal agencies, tribal governments and local jurisdictions to solve conflicts that hinder energy infrastructure and resource development.*

The New Mexico Energy Conservation and Management Division respectfully requests your consideration of the resources referenced above. Approval of the BB2 transmission line construction will increase economic growth in New Mexico, facilitate a more diverse energy mix with lowest cost electricity, contribute to a more modern and flexible energy delivery system, and strengthen both energy resiliency and energy reliability in New Mexico.

Respectfully,



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NBB 144

Sustainable Land Development Code
Hearing Officer Meeting
July 12, 2018
CASE NO. CUP 18-5050
Public Service Company of New Mexico (PNM), Applicant

RECOMMENDED DECISION AND ORDER

THIS MATTER came before the Sustainable Land Development Code (SLDC) Hearing Officer for a hearing on July 12, 2018, on the application (Application) of PNM, (Applicant) for a Conditional Use Permit (CUP) to construct approximately 31 miles of new single-circuit 345kV transmission line in southern Santa Fe County. The site is within parcels that are within the Agricultural/Ranching and Rural Zoning Districts as well as State Land. The Hearing Officer, having reviewed the Application, staff reports, and having conducted a public hearing on the Application, finds that the CUP should be granted, subject to certain conditions, and makes the following findings of fact and conclusions of law:

1. On April 13, 2018, the Applicant submitted the Application for a CUP to construct approximately 31 miles of new single-circuit 345kV transmission line in southern Santa Fe County. The proposed transmission line will connect the Applicant's existing Clines Corners 345kV Switching Station (within Santa Fe County) to a new switching station within Sandoval County. The new single-circuit transmission line will be located immediately adjacent to the existing BB 345kV transmission line on a separate 150' easement (BB2 Project).

2. The site for the proposed BB2 Project will run east to west within southern Santa Fe County, north of Stanley and north of Golden, meandering through 25 separate parcels of land, within T 10, R 7, 8, 9, 10, 11 E, T 11, R 7, 8, 9, 10, 11 E and T 12 N, R 7, 8, 9, 10, 11 E, SDA-3, (Commission District 3).



NBB-145

SEC. CLERK RECORDED 08/02/2018

3. As required by the SLDC, the Applicant presented the Application to the Technical Advisory Committee (TAC) on February 1, 2018, at the regular scheduled monthly meeting, as required by Chapter 4, Section 4.4.3. Pre-Application TAC Meeting and Table 4-1. (County Staff Report, Exhibit 10)

4. As required by the SLDC, the Applicant presented the Application to the Community on April 4, 2018, as required by Chapter 4, Section 4.4.4. Pre-Application Neighborhood Meeting. (County Staff Report, Exhibit 11)

5. The current property owners acquired the property by warranty deed which are recorded in the Santa Fe County Clerk's records and are contained in the record. (County Staff Report, Exhibit 9)

6. Notice requirements of the SLDC were met as per Chapter 4, Section 4.6.3. General Notice of Applications Requiring a Public Hearing. In advance of the hearing on the Application, the Applicant provided an affidavit of posting of notice of the hearing, confirming that public notice posting regarding the Application was made for fifteen (15) days on the property, beginning on June 26, 2018. Additionally, notice of the hearing was published in the legal notice section of the *Santa Fe New Mexican* on June 26, 2018, as evidenced by a copy of that legal notice contained in the record. Notice of the hearing was sent to owners of land within 500' of the subject property and a list of persons sent a mailing is contained in the record inclusive of Registered Organizations registered with Santa Fe County. (County Staff Report, Exhibit 12)

7. The following SLDC provisions are applicable to this Application:

A. Chapter 4, Section 4.9.6. Conditional Use Permits (CUP). For approval of certain conditional uses as set forth in the Use Matrix and elsewhere in the SLDC, pursuant to this Section.

NBB-146

B. Chapter 4, Section 4.9.6.1. Purpose and Findings. This Section provides for certain uses that, because of unique characteristics or potential impacts on adjacent land uses, are not permitted in zoning districts as a matter of right but which may, under appropriate standards and factors set forth herein, be approved. These uses shall be permitted through the issuance of a conditional use permit (CUP).

C. Chapter 4, Section 4.9.6.2. Applicability. The provisions of this Section apply to any application for approval of a CUP as required by the Use Matrix. Conditional uses are those uses that are generally compatible with the land uses permitted by right in a zoning district but that require individual review of their location, design and configuration, and the imposition of conditions or mitigations in order to ensure the appropriateness of the use at a particular location within a given zoning district. Only those uses that are enumerated as conditional uses in a zoning district, as set forth in the use matrix, may be authorized by the Planning Commission. No inherent right exists to receive a CUP. Concurrent with approval of a CUP, additional standards, conditions and mitigating requirements may be attached to the development order. Additionally, every CUP application shall be required to comply with all applicable requirements contained in the SLDC.

D. Chapter 4, Section 4.9.6.5. Approval Criteria. CUPs may only be approved if it is determined that the use for which the permit is requested will not:

1. be detrimental to the health, safety and general welfare of the area;
2. tend to create congestion in roads;
3. create a potential hazard for fire, panic, or other danger;
4. tend to overcrowd land and cause undue concentration of population;
5. interfere with adequate provisions for schools, parks, water, sewerage, transportation or other public requirements, conveniences or improvements;
6. interfere with adequate light and air; and
7. be inconsistent with the purposes of the property's zoning classification or in any other way inconsistent with the spirit and intent of the SLDC or SGMP.

NBB-147

E. Chapter 6, Section 6.1.2.1. Environmental Impact Report (EIR).

F. Chapter 6, Section 6.1.2.5. Fiscal Impact Assessment (FIA).

8. Applicant and County Staff addressed the CUP approval criteria as follows:

A. Not be detrimental to the health, safety and general welfare of the area.

- i. The Applicant stated that the BB2 Project is not detrimental to the health, safety and general welfare of the area. PNM follows the National Electric Safety Code (NESC) requirements for the safety of the general public and utility workers. PNM is placing the BB2 Project in an existing electric transmission corridor adjacent to an existing 345kV transmission line.
- ii. County Staff responded that the BB2 Project will be constructed to meet the NESC. The NESC has been adopted as law by the New Mexico Public Regulation Commission requiring PNM to develop new facilities to the current NESC criteria.

B. Not tend to create congestion in roads.

- i. The Applicant stated that the BB2 Project will not create congestion in roads. Construction traffic will occur; however, after construction is complete, there will be no traffic from the BB2 Project.
- ii. County Staff responded that the bulk of any added traffic to the existing roads that will be utilized to access the proposed site will be for the construction of the BB2 line. The added traffic will only occur until completion of the BB2 Project. After the line is operational routine

NBB-148

maintenance, if required and inspections of the structures and line will occur approximately every 3 months.

C. Not create a potential fire hazard for fire, panic, or other danger.

- i. The Applicant stated that the BB2 Project must comply with North American Electric Reliability Corporation (NERC) requirements and standards for removing any potential fire hazard. The BB2 Project is an electric transmission line and not a building.
- ii. County Staff responded that the structures are equipped with a shield wire or static line which is located at the highest point of the structure and intercepts direct lightning strikes to prevent lightning from striking the conductor.

D. Not tend to overcrowd land and cause undue concentration of population.

- i. The Applicant stated that the BB2 Project is an electric transmission line and not a residential development. Existing uses are ranching and dispersed rural residential which can continue.
- ii. County Staff responded that the easement to be utilized for the BB2 line runs primarily through land utilized for grazing. The Agricultural/Ranching and Rural Zoning Districts do not allow high density development. The land within the easement for the BB2 line is subject to the density requirements set forth in the SLDC.

E. Not interfere with adequate provisions for schools, parks, water, sewerage, transportation or other public requirements, conveniences or improvements.

NBB-149

- i. The Applicant stated that the BB2 Project is an electric transmission project and will not cause a deficiency of existing levels of service for Santa Fe County schools, parks, water, sewerage, transportation or other public requirements, conveniences or improvements, emergency response service, transportation or other public requirements, conveniences or improvements or create any other public service costs. The BB2 Project will provide Santa Fe County with annual property tax payments estimated at \$386,876 per year.
- ii. County Staff found that The BB2 Project is in a remote area of southern Santa Fe County and will not interfere with adequate provisions for schools, parks, water, sewerage, transportation or other public requirements.

F. Not interfere with adequate light and air.

- i. The Applicant stated that the BB2 Project as an open air electric transmission facility and will not interfere with adequate light and air.
- ii. County staff responded that the BB2 Project Application does not propose lights on the structures and the structures are an "H" frame which allows air and wind to flow through the structures with minimal obstruction. The poles will be painted with a non-reflective paint.

G. Not be inconsistent with the purposes of the property's zoning classification or in any other way inconsistent with the spirit and intent of the SLDC or SGMP.

- i. The Applicant stated that the BB2 Project is located on Agricultural/Ranch and Rural and State Land and does not interfere with

NBB-150

existing uses in those zones. The Sustainable Growth Management Plan (SGMP) Chapter 7 fully supports the development of new transmission lines to deliver renewable energy which is the purpose of the BB2 Project. The BB2 Project complies with the SLDC.

- ii. County Staff responded that a transmission line within the Agricultural/Ranch and Rural Zoning District is an allowed use with the approval of a CUP. There is an existing 345kV line within an existing 150 foot easement with structures approximately 160 foot in height. The proposed BB2 line will run parallel to the existing BB line mirroring the existing development on the properties.

9. Additionally, the Application was reviewed for the following applicable design standards as per Chapter 7, Sustainable Design Standards of the SLDC:

ACCESS AND EASEMENTS (Section 7.4) and

ROAD DESIGN STANDARDS (Section 7.11)

FIRE PROTECTION (Section 7.5)

PROTECTION OF HISTORIC AND ARCHAEOLOGICAL

RESOURCES (Section 7.16)

TERRAIN MANAGEMENT (Section 7.17)

FLOOD PREVENTION AND FLOOD CONTROL (Section 7.18)

SOLID WASTE (Section 7.20)

10. Building and Development Services staff reviewed the BB2 Project for compliance with pertinent SLDC requirements and found that the facts presented support the request for a CUP to construct approximately 31 miles of new single-circuit 345kV transmission line in southern

NBB-151

Santa Fe County; and found that the use is compatible with the current development within the Agricultural/Ranching and Rural Zoning Districts; the use will not impact adjacent land uses; and the Application satisfies the submittal requirements set forth in the SLDC inclusive of the CUP Approval Criteria set forth in Chapter 4, Section 4.9.6.5.

11. The Applicant demonstrated that the minimum height necessary, for the proposed structures to function properly and for public health, safety and welfare, would be 120 to 150 feet in height.

12. The review comments from the State Historic Preservation Office and County Staff established findings that the Application to construct 31 miles of new single-circuit 345kV transmission line immediately adjacent to the existing BB 345kV transmission line is in compliance with State requirements and design standards set forth in the SLDC.

13. The EIR prepared for the proposed CUP meets the requirements outlined in Section 6.3. Environmental Impact Report.

14. The FIA prepared for the proposed CUP meets the requirements outlined in Section 6.7. Fiscal Impact Assessment.

15. At the hearing, a representative of the Applicant presented several additions and corrections to the County Staff Report which were entered into the record.

16. The Hearing Officer allowed a period of three (3) days after the hearing for County Staff to submit objections to the Applicant's corrections and additions. County Staff submitted no objections to the Applicant's corrections and additions to its report.

17. At the hearing, witnesses representing the New Mexico Energy, Mineral and Natural Resources Department; Estancia Valley Economic Development and the Partnership for Health

NBB-152